

Headquarters U.S. Air Force

Integrity - Service - Excellence

Javits-Wagner-O'Day Program (JWOD)



**Rick Beaman
Presidential Appointee to
The Committee for Purchase
From People Who Are Blind
or**

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Severely Disabled

February 2006



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History

- **1938 - Wagner-O'Day Act:**
Established the Program for Products Made by People Who are Blind
- **1971 - Javits Amendment:**
Expanded the Program to Include People with other Severe Disabilities and Added Services
 - **41 USC 46-48c**
 - **Codified at 41 CFR Part 51**
- **FAR Subpart 8.7 Implements the JWOD Program's Procurement Rules**



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FY04 Facts

- **640 Nonprofit agencies in JWOD program**
- **Over 40,000 employees who are blind or have other severe disabilities**
- **Total JWOD Program sales (Products & Services)**
 - **Over \$2 Billion**
 - **Represents less than 1% of total Federal contract dollars**
- **JWOD is the Single Largest Employer of People with Disabilities in the U.S.**



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How Is Air Force Doing?

- **Total \$204,142,981 in FY04**
 - **\$4,074,000 for Products**
 - **\$200,068,981 for Services**



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Air Force is a Key JWOD Customer

- **Air Force Physical Training Uniform (AFPTU) for the Defense Logistics Agency (DLA)**
 - **During FY04, DLA awarded the AFPTU contract to seven JWOD nonprofit agencies**
 - **JWOD used its experience in producing the Army Physical Fitness Uniform (some of which are provided by the same nonprofit agencies performing on the AFPTU contract) and industry best practices to reduce production-cycle time and increase efficiency**
 - **End result: AFPTU production in six months and approximately 150 new jobs for individuals who are blind**



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Examples of Air Force Support of the JWOD Program

■ BSCs, IEEs & HAZMAT

- JWOD operates 51 AF-associated BSCs; these represent open store fronts where AF customers can shop

- 49 are BSCs or Combo BSC/IEE/HAZMART
- 2 just IEE & HAZMART

- Locations listed at:

www.jwod.gov/jwod/about_us/bsc.html

■ Switchboard Operations

- The JWOD Program leverages a national network to develop and expand the array of solutions it provides to Federal customers
- AF and NIB added a 10-location contract to the PL, with NISH as a subcontractor at certain sites



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Recognition for Air Force Support of the JWOD Program

- **Organizational Awards**
 - **Air Force created JWOD President's Committee Award for inclusion in its annual Contracting Awards Program**
 - **FY04 - Little Rock AFB**
 - **FY03 - Sheppard AFB**
- **Individual Awards**
 - **Committee's Outstanding Contributions Award**
 - **2005**
 - **Carolyn Sue Lee - 2 CONS, Barksdale AFB**
 - **2004**
 - **Marion Nelson - 92 CONS, Fairchild AFB**
 - **Linda Little - 82 CONS, Sheppard AFB**



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Terms to Remember

- **JWOD Committee**
 - **15 Members appointed by the President**
- **CNA - Central Nonprofit Agency (the two CNAs - NIB, NISH)**
- **NIB - National Industries for the Blind**
- **NISH - serves people with a range of severe disabilities (formerly known as National Industries for the Severely Handicapped)**
- **NPA - Nonprofit Agency**
- **CRP - Community Rehabilitation Program (NISH's term for NPAs)**
- **Procurement List (PL) - List of products/services provided by the JWOD Program (can be viewed at www.jwod.gov)**
- **FOYs - Follow-on-Years (similar to option years)**



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Who's Who

- **Government**
 - **15 Committee Members**
 - **Committee Staff (29 Federal employees)**

- **Non-Government**
 - **CNAs (NIB & NISH)**
 - **NPAAs/CRPs**



The Committee for Purchase From People Who are Blind or Severely Disabled

- **15 Presidential Appointees**
 - **11 Federal Representatives**
 - Air Force, Army, Navy, DOD, GSA, VA, USDA, DOC, DOJ, DOL, ED
 - **4 Private Citizens**
 - Two Representing the Employment Concerns of People Who Are Blind or Severely Disabled
 - Two Representing Nonprofit Agency Employees Who Are Blind or Severely Disabled
- **Consider and approve additions to the JWOD PL**
- **Establish the Initial Fair Market Price (including methodology for FOY price changes) based on negotiations between NPA/CRP and Contracting Officer)**
- **Consider and approve deletions from the PL**
- **Consider and provide oversight of the JWOD Program**
- **Consider and render decision on pricing impasse appeals**



How Does Committee Work

- **Committee and Subcommittees**
 - **Governance**
 - **Finance and Information Management**
 - **Business Development**
 - **Planning and Evaluation**
 - **Executive (Chairs of the above 4 Subcommittees & Committee Chair)**
 - **Ad Hoc Subcommittees/Working Groups**
- **Full Committee meets every other month and Subcommittees meet in the intervening months**



The JWOD Procurement List (PL)

- **The PL is referenced in FAR Subparts 8.0 and 8.7**
- **Once a product or service is on the PL, the Government buys it from the nonprofit agency designated by the Committee until the Government no longer has requirement for that item/service, or until a nonprofit agency employing people with severe disabilities can no longer provide the item/service**
- **Services are added on a location-by-location basis**
- **Proposed Additions to the PL are initiated by AF, CNA, or NPA**
- **A product or service is not mandatory, and therefore is not a requirement to buy, until it is on the PL**



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Additions Process

- **Need to Plan Ahead - like any normal contract action**
- **Can be Initiated by Air Force, CNAs, or NPAs**
- **Partnership between Contracting & NPAs & CNAs**
 - **Agree to Suitability for JWOD Program**
 - **Statement of Work**
 - **Pricing**
 - **Other terms**
- **It's a Contract - Negotiation is allowed if appropriate**



Formal PL Addition Process

- NIB or NISH submit proposed addition package to Committee staff (only after NPA/CRP and CO have reached agreement on price/terms/conditions)
- Proposed Addition reviewed by JWOD staff before published in Federal Register (30 Days)
- **Impact on incumbent contractor is considered**
- Comments to Federal Register notice are considered
- Vote Letter issued to Committee Members (2 weeks to vote)
- Final Federal Register Notice published (30 Days)
- Addition to JWOD PL effective 30 days after Final Notice published
- Minimum of 80-90 days for entire process once addition package formally submitted to Committee staff



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IS JWOD SMALL BUSINESS?

- **Except for the fact they are “non-profit” most meet the criteria of small business**

- **Section 8025 DoD Appropriations Bill**
 - **JWOD qualified firms that are subcontractors to DoD contractors count towards small business subcontracting goals**



JWOD Price Issues

- **Too Expensive**
 - **Usually what this really means is due to budget cuts the base doesn't have enough money to support current level of service**
 - **Need to do market research to prove cost of cost too high**
 - **Impasse procedures are available for new price negotiations**
 - Initial award
 - New base year



JWOD Performance Issues

- Are we “stuck” with poor performing NPA?
 - **NO**
 - Product or Service remains on PL until deleted by the Committee or “purchase exception” is granted
 - A specific NPA does not have the contract “For Life”
 - FAR 8.711 (order of precedence)
 - Try to resolve at NPA level
 - Raise to CNA
 - Raise to Committee
 - NISH has formal “4-step” performance improvement process
 - Nothing in JWOD regulations that says CO has given up normal “contractual” rights such as cure notice and show cause
 - Committee has just started initiative to develop specific guidance



Committee Initiatives

- **Re-write of PR # 3 (Fair Market Price determination for JWOD Service Contracts)**
 - **Make more Contracting oriented**

- **Base Supply Centers (BSCs)**
 - **NIB named executive agent for the BSC program**
 - **Convert all BSCs to No Cost Service Contract in lieu of MOA**
 - **Ensure items are Trade Agreements Act (TAA) compliant**

- **PL Addition Process/Documentation**
 - **Certification (CO, NPA, CAN sign) - Includes CO determination that price fair & reasonable and method used for that determination)**



Committee Initiatives (continued)

- **Governance Standards for CNAs and NPAs**
 - **Executive Compensation**
 - **Board of Directors requirements**
 - **Relationship to Fair Market Price**
 - **Published Proposed Rule November 2004**
 - **Comment period closed February 2005**
 - **Withdrawn July 2005**
 - **Public Hearings (January 2006)**
 - **DC area, Dallas, San Francisco**
 - **Working new draft Proposed Rule for Comment**



Committee Initiatives (continued)

■ Military Dining facilities

- Section 848 of FYNDAA requires joint policy statement by DoD, DoEd, and President's Committee on applicability of Randolph-Sheppard Act (R-SA) and JWOD)**
- Policy statement and report to Congress due 01 April 2006**
- Interagency team comprised of representatives from DoEd, DoD, and the Cmte**
- Federal Register Notice on February 3rd**
 - Announcing effort and seeking suggestions for potential policy solutions**
 - Written comments due March 1st**



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Committee Initiatives (continued)

- **Performance Improvement Initiative**
 - Committee notification/involvement earlier in process
 - More “contracting” oriented

Once all the changes are made - Then appropriate FAR case will be developed



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Good JWOD Information

- **WWW.JWOD.GOV**
 - **Library (Regulations, Policy, etc)**
 - **Committee Memoranda**
 - Impassee
 - Pricing
 - Internal procedures (Voting Protocols, etc)
 - **List of items/services on the Procurement List**
 - **Bios on Appointed Committee members**



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